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IN THE

# SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1929

No. ~~595~~ 54

CARBICE CORPORATION OF AMERICA
*Petitioner*

*against*

AMERICAN PATENTS DEVELOPMENT CORPORATION and DRY ICE CORPORATION OF AMERICA
*Respondents*

## Petition for Writ of Certiorari to the Circuit Court of Appeals for the Second Circuit and Brief in Support Thereof

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IN THE

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OCTOBER TERM, 1929.

CARBICE CORPORATION OF AMERICA,

*Petitioner,*

*v.*

AMERICAN PATENTS DEVELOPMENT CORPORATION and DRY ICE CORPORATION OF AMERICA,

*Respondents.*

## Petition of Carbice Corporation of America for a Writ of Certiorari to the Circuit Court of Appeals for the Second Circuit.

*To the Honorable, the Chief Justice and Associate Justices of the Supreme Court of the United States:*

Your petitioner, CARBICE CORPORATION OF AMERICA, respectfully prays for a writ of certiorari to the Circuit Court of Appeals for the Second Circuit to review a judgment of that Court entered February 3, 1930. A transcript of the record in the case, including the proceedings in said Circuit Court of Appeals, is furnished herewith in accordance with Rule 35 of the rules of this Court.

## Summary and Short Statement of the Matter Involved.

The present suit was brought in the Eastern District of New York by American Patents Development Corporation and Dry Ice Corporation of America for infringement of Slate patent No. 1,595,426 granted August 10, 1926, on an application filed January 10, 1924. The American Patents Development Corporation is the owner of the Slate patent but is not a manufacturing concern. The Dry Ice Corporation of America is the exclusive licensee under the patent and was a manufacturing concern engaged in the manufacture and sale of an unpatented refrigerant consisting of solidified carbon dioxide which it sold under the trade name "DRY ICE."

The defendant in the litigation, Carbice Corporation of America, a Delaware Corporation, is engaged in the manufacture and sale of the same unpatented refrigerant, namely, solidified carbon dioxide, which it sold under the trade name "CARBICE."

## Subject-matter of the Litigation.

Carbon dioxide is an element of nature found in the form of a gas, and has the chemical symbol $CO_2$. For many years prior to 1900 it was well known that carbon dioxide may exist either as a gas, a liquid, or a solid, depending upon the conditions of temperature and pressure to which it is subjected. As a solid it has an excessively low temperature—approximately—110° F. Its manufacture in solid form and its use as a refrigerant in lieu of ordinary water ice was well known.

The Slate patent No. 1,595,426, involved in the litigation, is not directed to any method of producing solid

carbon dioxide, nor to solid carbon dioxide *per se*, but is directed to a particular manner of arranging the unpatented solid carbon dioxide with respect to food stuffs to be refrigerated thereby in transporting such food stuffs.

By reference to Fig. 1 of the patent it will be seen that the solid carbon dioxide (22) is placed in the center of a container (20) and is surrounded on all sides by packages of perishable food stuff, such as cartons of ice cream (57). The claims of the patent involved (Nos. 2, 3, 4 and 6), as well as the record in the case, establish that the patent is not concerned with any particular kind of container, nor any particular kind of foodstuff to be refrigerated, but is confined, as clearly held by the Court of Appeals for the Second Circuit in its opinion, to *the particular manner of arranging* the old unpatented refrigerant (solid carbon dioxide) with respect to any kind of material to be refrigerated in any kind of type of container or box to form a transportation package for shipment of the refrigerated material.

By placing the solid carbon dioxide in the center of the material to be shipped when it "sublimes," *i. e.*, evaporates into a gaseous state without passing through a liquid state, the carbon dioxide gas thus produced being of a temperature of approximately—110° F., also has refrigerative effect on the material being refrigerated, and forms a gaseous insulation for the solid carbon dioxide.

## Commercial Operations of Respondent Dry Ice Corporation.

The Dry Ice Corporation is engaged in the manufacture and sale of solid carbon dioxide. Every sale made by it is made subject to the condition printed on its invoice (Plaintiff's Exhibit 7, Record p. 283), as follows:

> "The merchandise herein described is shipped upon the following condition: That Dry Ice shall not be used except in Dry Ice Cabinets or other containers or apparatus provided or approved by the Dry Ice Corporation of America; and that Dry Ice Cabinets or other containers or apparatus provided or approved by the Dry Ice Corporation of America shall be refrigerated or used only with Dry Ice. These uses of Dry Ice are fully covered by our Basic Method and Apparatus Patent No. 1,511,306. Granted October 14, 1924, and other Patents Pending."

The Dry Ice Corporation, in selling its unpatented product instructs its customers from whom to buy containers in the first instance (Record p. 48, fol. 143; p. 53, fols. 151-152), and the customers thereafter purchase the containers wherever they see fit, depending upon price and delivery.

## Operations of the Petitioner Carbice Corporation.

The Carbice Corporation is engaged in the manufacture and sale of the unpatented commodity, solid carbon dioxide, under the trade name "CARBICE." It solicits orders for its product wherever there is a demand therefor. It solicited an order from a customer of the Dry Ice Corporation, named Marchiony (Record p. 48). Sales were made to Marchiony by the Carbice Corporation on the representation that its product, "CARBICE,"

> "will be found as satisfactory as dry ice in any and every way . . ." (Plaintiff's Exhibits 13 and 14, pp. 287-288, Record).

On this evidence the District Court, without passing on the validity of the patent, or on the question of whether or not a particular method of arranging an unpatented

refrigerant with respect to unpatented foodstuffs inside of an unpatented container could form the basis for a valid patent for an article of manufacture, under Section 4886, R. S., dismissed the bill of complaint on the ground that the Carbice Corporation, in selling a perishable, unpatented commodity, did not and could not, directly or contributarily, infringe a patent for *a particular arrangement* of that refrigerant with respect to the materials it was to refrigerate in normal use, citing the decision of this Court, based on apparently identical facts, *Morgan Envelope Co.* v. *Albany Paper Co.*, 152 U. S. 425; 38 L. Ed. 500.

On appeal the Court of Appeals for the Second Circuit reversed the decree of the District Court basing its opinion, as we construe it, on uncertainty as to what was decided by this Court in the *Morgan Envelope* case and in the *Motion Picture Patents* case (243 U. S. 502), and on what the Court of Appeals finds to be a doubt as to the meaning of the above-identified opinions of this Court.

## Reasons Relied Upon for the Granting of Writ of Certiorari.

The discretionary power of this Court is invoked upon the following grounds, as set forth in Rule 35 of the rules of this Court:

1. That the Court of Appeals for the Second Circuit, by finding ambiguity in or doubt as to the meaning of the decision of this Court in *Morgan Envelope Co.* v. *Albany Paper Co.*, 152 U. S. 425, has, by inference, requested enlightenment by this Court as to the law on the subject, and, in any event, has rendered a decision in direct conflict therewith.

2. That the Court of Appeals for the Second Circuit, in holding in effect that plaintiff, Dry Ice Corporation of America, can compel its licensees, or the purchasing public, to buy from it the unpatented commodity, solid carbon dioxide, for use in unpatented containers, has rendered a decision in direct conflict with the decision of this Court in *Motion Picture Patents Co.* v. *Universal Film Co.*, 243 U. S. 502.

3. That the Court of Appeals for the Second Circuit, as justification for refusing to follow the decision of this Court in *Motion Picture Patents Co.* v. *Universal Film Co.*, 243 U. S. 502, has cited a prior decision of a Circuit Court of Appeals, viz., the *Button Fastener* case, 77 Fed. 288, which decision the case of *Motion Picture Patents Co.* overruled.

4. That the Court of Appeals for the Second Circuit, in holding in effect that the Dry Ice Corporation of America can sell its product on the condition that it cannot be used in any patented container unless the container is provided by Dry Ice Corporation, or approved by it; or that the Dry Ice Corporation of America can provide or approve unpatented containers on the condition that they cannot be used except in connection with its product, has rendered a decision which is in direct conflict with and condones violation of Section 3 of the Act of October, 1914, 38 Stat. L. 731, known as the Clayton Act.

5. That the Court of Appeals for the Second Circuit, in finding validity for the Slate patent No. 1,595,426, the claims of which are not directed to a mechanical combination, but the subject-matter of which is directed to *a particular arrangement* of an unpatented refrigerant with respect to unpatented materials to be refrigerated, all

enclosed in an unpatented container, has rendered a decision in effect establishing as the subject-matter of Letters Patent of invention that which under Section 4886, R. S., is not subject-matter for which the Commissioner of Patents is authorized by Congress to issue Letters Patent of invention in that the alleged invention is neither an art, machine, manufacture nor composition of matter.

6. That the Court of Appeals for the Second Circuit, in rendering its decision in this cause, in effect overturning the law established by this Court in *Morgan Envelope Co.* v. *Albany Paper Co.*, 152 U. S. 425, and *Motion Picture Patents Co.* v. *Universal Film Co.*, 243 U. S. 502, has established radically new law of utmost importance to the manufacturing industries throughout the country because of its effect thereon. This new law is apparently in direct conflict with what has been considered to be established law for a long period of years by reason of the decisions (*supra*) of this Court, and great injury is apt to occur throughout the industries of the nation due to reliance on the law previously established by this Court, unless all uncertainty and ambiguity is completely settled by positive reiteration by this Court of its previously announced law and the reversal of the judgment of the Court of Appeals for the Second Circuit in the present cause, or by positive assertion by this Court in affirmance of the new law established by the Court of Appeals for the Second Circuit in this cause.

WHEREFORE, your petitioner respectfully prays that a writ of certiorari be issued under the seal of this Court directed to the United States Circuit Court of Appeals for the Second Judicial Circuit, sitting at New York, N. Y., commanding said Court to certify and send to this Court, on a day to be designated, a full and complete transcript

of the record and all proceedings of the Circuit Court of Appeals had in this cause, to the end that this cause may be reviewed and determined by this Court; that the judgment of the Circuit Court of Appeals be reversed, and that petitioner be granted such other and further relief as may seem proper.

SAMUEL E. DARBY, JR.;
Attorney for Petitioner.

Dated, New York, N. Y., February 26, 1930.

State of New York, }
County of New York, } ss.:

SAMUEL E. DARBY, JR., being duly sworn, deposes and says:

That he is the attorney for the petitioner herein; that he prepared the foregoing petition and that the allegations thereof are true as he verily believes.

SAMUEL E. DARBY, JR.

Subscribed and sworn to before me }
this 26th day of February, 1930. }

ROSE A. BATTERMAN,
Notary Public.

# BRIEF FOR PETITIONER IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

## The Opinions of the Courts Below.

The opinion of the Circuit Court of Appeals for the Second Circuit is unreported, but is reproduced in the records filed herewith. The opinion of the District Court is reported in 25 Fed. (2d) 730.

## Jurisdiction.

The grounds of jurisdiction are:

1. The date of the judgment to be reviewed was February 3, 1930.

2. The judgment was rendered in a suit in equity brought under the Patent Statutes to determine the issues of validity and infringement of Letters Patent of invention issued by virtue of Section 4886, R. S.

3. The statute under which the jurisdiction is invoked is Section 240 (a) of the Judicial Code, 28 U. S. C. No. 347, as amended by the Act of February 13, 1925.

4. Cases believed to sustain the jurisdiction are *I. T. S. Co. v. Essex*, 272 U. S. 429; *Alexander Milburn Co. v. Davis-Bournonville Co.*, 270 U. S. 290; *Concrete Appliances Co. v. Gomery*, 269 U. S. 177.

## Statement.

The facts are sufficiently stated in the petition.

## Statutes.

The statute under which this case arises and which is necessary to be considered is R. S. 4886. That statute reads as follows:

> "Any person who has invented or discovered any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvements thereof, not known or used by others in this country, before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country, before his invention or discovery thereof, or more than two years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law, and other due proceeding had, obtain a patent therefor."

Section 3 of the Act of October 15, 1914, 38 Stat. L. 731, known as the Clayton Act, and also involved in the cause, is as follows:

> "That it shall be unlawful for any person engaged in commerce, in the course of such commerce, to lease or make a sale or contract for sale of goods, wares, merchandise, machinery, supplies or other commodities, whether patented or unpatented, for use, consumption or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, or fix a price charged therefor, or discount from, or rebate upon, such price, on the condition, agreement, or understanding that the lessee or purchaser thereof shall not use or deal in the goods, wares, merchandise, machinery, supplies or other commodities of a competitor or competitors of the lessor or seller, where

the effect of such lease, sale, or contract for sale or such condition, agreement or understanding may be to substantially lessen competition or tend to create a monopoly in any line of commerce."

## Specification of Errors.

The errors which petitioner will urge, if the writ of certiorari is allowed, are that the Circuit Court of Appeals for the Second Circuit erred:

1. in reversing the decree of the District Court and holding the Slate patent to be valid and infringed;

2. in failing to affirm the decree of the District Court that the Slate patent was not infringed by petitioner;

3. in holding the Slate patent to be valid;

4. in holding the Slate patent to have been infringed by petitioner;

5. in failing to hold that the law established by the decision of this Court in *Morgan Envelope Co.* v. *Albany Paper Co.*, 152 U. S. 425, was controlling and dispositive of the litigation;

6. in failing to hold that the law established by this Court in *Motion Picture Patents Co.* v. *Universal Film Co.*, 243 U. S. 502, was controlling and dispositive of the litigation;

7. in holding that the alleged invention of the Slate patent constituted a "manufacture," or was patentable under 4886, R. S.

## Summary of Argument.

The points of the argument follow the reasons relied upon for the allowance of the writ and are stated in the index hereto, *supra*, page i. For the sake of brevity, they are omitted at this point.

## ARGUMENT.

**1. The Circuit Court of Appeals for the Second Circuit by finding ambiguity in the decision of this Court in *Morgan Envelope Co.* v. *Albany Paper Co.*, 152 U. S. 425, has, by inference, requested enlightenment by this Court as to the law on this subject, and in any event has rendered a decision in direct conflict therewith.**

Having in mind that the claims of the Slate patent are directed to a container enclosing material to be refrigerated with a block of solid carbon dioxide in the center thereof, and that defendant is charged with infringement of the patent by reason of its sale of the unpatented, perishable refrigerant, solid carbon dioxide, the close parallelism of the decision of this Court in the *Morgan Envelope* case will be apparent. The latter case involved a patent for a combination of a roll of toilet paper and a fixture which facilitated the consumption of the toilet paper. The defendant was charged with infringement by selling rolls of toilet paper which were used on the fixture. The patent being directed to the combination of the fixture and the toilet paper, the defendant was charged with contributory infringement. The language of the opinion of this Court, at page 432, speaking through Mr. Justice BROWN, is so apt to the case at bar that it is here reproduced:

> "The real question in this case is, whether, conceding the combination of the oval roll with the fixture to be a valid combination, the sale of one element of such combination, with the intent that it shall be used with the other element, is an infringement. We are of opinion that it is not. There are doubtless many cases to the effect that the manu-

facture and sale of a single element of a combination, with intent that it shall be united to the other elements, and so complete the combination, is an infringement. Saxe *v.* Hammond, Holmes, 456; Wallace *v.* Holmes, 9 Blatchford, 65; Barnes *v.* Straus, 9 Blatchford, 553; Schneider *v.* Pountney, 21 Fed. Rep. 399. But we think these cases have no application to one where the element made by the alleged infringer is an article of manufacture perishable in its nature, which it is the object of the mechanism to deliver, and which must be renewed periodically, whenever the device is put to use. Of course, if the product itself is the subject of a valid patent, it would be an infringement of that patent to purchase such product of another than the patentee; but if the product be unpatentable, it is giving to the patentee of the machine the benefit of a patent upon the product, by requiring such product to be bought of him. To repeat an illustration already put: If a log were an element of a patentable mechanism for sawing such log, it would, upon the construction claimed by the plaintiff, require the purchaser of the sawing device to buy his logs of the patentee of the mechanism, or subject himself to a charge of infringement. This exhibits not only the impossibility of this construction of the patent, but the difficulty of treating the paper as an element of the combination at all. In this view the distinction between repair and reconstruction becomes of no value, since the renewal of the paper is in a proper sense neither the one nor the other."

Although the foregoing language is exceedingly clear, the Court of Appeals for the Second Circuit in its opinion, after quoting the foregoing from the opinion of this Court, stated:

> *"This case has been much cited and there has arisen considerable doubt as to its precise meaning."*

From this it is apparent that the Court of Appeals for the Second Circuit was uncertain as to what was meant to be decided by this Court in the *Morgan Envelope* case and has presented a situation whereby, in arriving at a contrary conclusion on substantially identical material facts, by inference, at least, has requested this Court to positively settle the law on the question.

**2. The Court of Appeals for the Second Circuit in holding, in effect, that plaintiff, Dry Ice Corporation of America, could compel its licensees or the purchasing public to buy from it the unpatented commodity, solid carbon dioxide, for use in unpatented containers, has rendered a decision in direct conflict with the decision of this Court in *Motion Picture Patents Co.* v. *Universal Film Co.*, 243 U. S. 502.**

The Court of Appeals for the Second Circuit in holding that petitioner, in selling the unpatented perishable refrigerant, solid carbon dioxide, for use in containers lawfully acquired by the purchaser of the solid carbon dioxide, contributed to the infringement of the Slate patent, in effect makes legal and permissible the condition of sale imposed by the Dry Ice Corporation, viz.: that its product, the unpatented perishable refrigerant, solid carbon dioxide, could be used only in containers provided or approved by Dry Ice Corporation or that the containers provided or approved by Dry Ice Corporation could be used only with the unpatented perishable refrigerant, solid carbon dioxide, acquired from Dry Ice Corporation.

This, in effect, is what this Court stated cannot be done legally under a patent monopoly, in the *Motion Picture Patents* case.

In that case effort was made to hold as a contributory infringer of a patent for a motion picture projection ma-

chine one who used films in the machine in defiance of a notice attached to the machine that only films purchased from the owner of the patent for the machine could be used therewith.

The Court of Appeals for the Second Circuit in the present case attempts to distinguish the facts of the case at bar from the facts in the *Motion Picture Patents* case by stating:

> "It is only unpatented materials which *form no part* of the patented machine which the Supreme Court held the purchaser of the machine may use at will." (Italics the Court's.)

In this the Court of Appeals has made an error of fact, as will be apparent from an inspection of the Latham patent involved in the *Motion Picture Patents* case. Claim 1 of that patent is as follows:

> "The combination with devices for supporting the bulk of *a flexible film* before and after exposure, of feeding mechanisms located between the devices for supporting *the film* and separate and distinct therefrom, one of said feeding mechanisms being constructed to uniformly feed *the film* and produce a predetermined supply of slack and the other adapted to intermittently feed the slack across the exposure window." (Italics ours.)

It will be obvious, therefore, and contrary to the fact assumed by the Court of Appeals in the case at bar, the film does form a part of the patented machine as claimed. Indeed, a motion picture projection machine would be of no utility whatever without the film, and it is inconceivable that the machine could even be described without reference to the film and recognition that the film is an

indispensable adjunct of the machine to make it of any practical or commercial utility.

Based on this erroneous assumption of fact the Court of Appeals for the Second Circuit, in its decision in the case at bar, has, therefore, rendered a decision which is in direct conflict with the decision of this Court in the *Motion Picture Patents* case.

Furthermore, the two decisions rendered by this Court subsequent to its decision in the *Motion Picture Patents* case in cases arising under the Clayton Act, viz., *United States* v. *United Shoe Machinery Co.*, 247 U. S. 32, and *United Shoe Machinery Co.* v. *United States*, 258 U. S. 451, were either overlooked by the Court of Appeals of the Second Circuit or were ignored.

**3. The Court of Appeals for the Second Circuit as justification for refusing to follow the decision of this Court in *Motion Picture Patents Co.* v. *Universal Film Co.*, 243 U. S. 502, has cited a prior decision of a Circuit Court of Appeals, viz.: the *Button Fastener* case, 77 Fed. 288, which decision the case of *Motion Picture Patents Co.* overruled.**

As we read the decision of the Court of Appeals for the Second Circuit in the present case, it bases its distinction between the facts of the case at bar and the facts in the *Motion Picture Patents* case on the decision of the Court of Appeals for the Sixth Circuit in the *Button Fastener* case. As we read the decision of this Court in the *Motion Picture Patents* case, the prior decision by the Court of Appeals for the Sixth Circuit in the *Button Fastener* case was overruled, as being unsound.

**4. The Court of Appeals for the Second Circuit in holding in effect that the Dry Ice Corporation of America could sell its product on the condition that it could not be used in any patented container unless the container is provided by Dry Ice Corporation or approved by it, or that the Dry Ice Corporation of America could provide or approve unpatented containers on the condition that they cannot be used except in connection with its product, has rendered a decision which is in direct conflict with and condones violation of Section 3 of the Act of October, 1914, 38 Stat. L. 731, known as the Clayton Act.**

In one instance, respondent sells its unpatented refrigerant on the condition that it will not be used in any container unless such container is provided or approved by respondent. In the other instance, respondent provides or approves unpatented containers on the condition that such containers will not be used with any refrigerant other than respondent's product. In both cases there is a sale or contract for sale of goods for use within the United States on the condition, agreement or understanding that the purchaser will not use or deal in the goods of a competitor where the obvious effect is to substantially lessen competition or tend to create a monopoly. This is expressly what Congress, in Section 3 of the Clayton Act, has declared to be illegal. This same question was before this Court in the *Motion Picture Patents* case, but was not passed upon because the principles of patent law enunciated by this Court in that case disposed of the matter. The Court of Appeals, in failing or refusing to be governed by the law established by this Court in the *Motion Picture Patents* case, has made it necessary for this question to be considered and passed on if the decision of the Court of

Appeals for the Second Circuit in the case at bar is to stand.

In the case of *Arthur Lord, et al.* v. *Radio Corporation of America*, C. C. A. 3rd (28 Fed. [2nd] 257), substantially the same facts were before the Court under a charge of violation of Section 3 of the Clayton Act. The Radio Corporation of America had granted some twenty-five licenses to manufacturers of radio receiving sets under all of its patents relating to circuits using so-called thermionic vacuum tubes or audions. The audions were claimed as necessary and vital elements in one or more of these patents. In the said licenses the Radio Corporation imposed as a condition that the licensees should buy from it all of the vacuum tubes or audions necessary to make initially operative the sets manufactured by the licensees. This the District Court of Delaware, on a motion for preliminary injunction, held to be in violation of Section 3 of the Clayton Act (24 Fed. [2nd] 565). The Court of Appeals for the Third Circuit affirmed this decision (28 Fed. [2nd] 257). This Court denied a petition for a writ of certiorari (278 U. S. 648) and thereafter denied a petition to reconsider its refusal to grant the petition.

Thus, there is a direct conflict between the Court of Appeals for the Third Circuit and the Court of Appeals for the Second Circuit on the legality of a sale under similar conditions. While one case arose under the patent statutes and the other arose under a charge of violation of the Clayton Act, the facts were substantially the same, and obviously, what is illegal under one statute may not be considered to be legal under another, for, as this Court pointed out in the *Motion Picture Patents* case, under the patent statutes no infringement of a patent occurs under such circumstances.

Furthermore, this Court has twice, since the *Motion Picture Patents* case, reiterated the doctrine thereof in considering cases arising under the Clayton Act, viz.: *U. S.* v. *United Shoe Machinery Co.*, 247 U. S. 32, and *United Shoe Machinery Co.* v. *U. S.*, 258 U. S. 451.

**5. The Court of Appeals for the Second Circuit in finding validity for the Slate patent No. 1,595,426, the claims of which are not directed to a mechanical combination, but the subject-matter of which is directed to *a particular arrangement* of an unpatented refrigerant with respect to unpatented materials to be refrigerated all enclosed in an unpatented container, has rendered a decision in effect establishing as the subject-matter of Letters Patent of invention that, which under Section 4886, R. S., is not subject-matter for which the Commissioner of Patents is authorized by Congress to issue Letters Patent of invention, in that the alleged invention is neither an art, machine, manufacture, nor composition of matter.**

The Court of Appeals for the Second Circuit in its opinion stated:

> "We are satisfied that Slate discovered how to make up a package consisting of freezable food stuffs, solid carbon dioxide, and their enveloping container, *in an arrangement* not previously known and producing a new and useful result of making practicable the shipment of such food stuffs to greater distances than was previously possible. That this discovery would be patentable as a process we cannot seriously doubt (citation) * * *. He did not, however, claim it as a process; he claimed only the 'package,' product of his process, so the patent if sustainable must fall within the statutory

phrase 'machine, manufacture or composition of matter,' Rev. Stat., Section 4886." (Italics ours.)

Again, the Court of Appeals in its opinion stated:

> "The patent states *the physical arrangement* of the elements which make up the claimed combination. While the relative quantities of food stuffs and dry ice will vary with the size of the package, length of journey, etc., *the claimed arrangement* of elements remains constant. *It is the arrangement which is vital.*" (Italics ours.)

Again, the Court stated:

> "As to the attack upon the validity founded upon the assertion of prior knowledge and use it seems sufficient to say that while the evidence discloses knowledge of the general properties of solid carbon dioxide it shows clearly that no one before the patentee had thought of using the food stuffs as insulation for the carbon dioxide nor of utilizing the gas generated upon sublimation as additional insulation, and also as a refrigerant of the remote portions of the foodstuffs; *that is to say, no one had made up a package with the solid carbon dioxide in the center*—no one had utilized the known properties of the refrigerant *by the specific arrangement* discovered by the patentee." (Italics ours.)

From the foregoing passages of the opinion of the Court of Appeals it will be apparent that the Court recognized what is the fact, namely, that all that the patentee claimed to have invented was *a specific arrangement* of the old unpatented refrigerant with respect to the old unpatented materials to be refrigerated, all enclosed in an unpatented container, viz.: placing the solid carbon dioxid in the center of a container and surrounded by the materials to

be refrigerated. Section 4886, R. S., provides that a patent of invention may be granted to anyone who has invented or discovered a new and useful art, machine, manufacture or composition of matter. Obviously, a particular arrangement of placing an unpatented refrigerant and unpatented materials to be refrigerated in a box or other container does not fall within any of the foregoing classes of invention which may be rewarded by the grant of Letters Patent.

### 6. The importance of the case at bar to manufacturing industries of the Nation.

The decisions of this Court in the *Morgan Envelope Co.* case and in the *Motion Picture Patents Co.* case have been long relied upon by the manufacturing industries of the Nation. The upsetting of the law of these cases or the distinguishing therefrom in the manner attempted by the Court of Appeals in the case at bar will have a far-reaching and injurious effect upon such industries. The matter is of such utmost importance in the orderly prosecution of patent matters in behalf of manufacturing industries, that if new law is to be established in the face of the prior decisions of this Court, such new law should have the effect of the consideration and enunciation by this Court.

On the other hand, if, as stated by the Court of Appeals for the Second Circuit, the decision of this Court in the *Morgan Envelope Co.* case, which has been much cited by the Federal Courts, has caused considerable doubt as to its precise meaning, the manufacturing industries of the Nation, relying upon the decision by this Court in that case, should have all doubt as to the meaning of the Court in that case settled by this Court rather than by divergent opinions of the various Federal Courts throughout the country.

## CONCLUSION.

From the foregoing, it appears that the Circuit Court of Appeals for the Second Circuit has rendered a decision which is in conflict with two controlling decisions of this Court, and which is in direct conflict with the Circuit Court of Appeals for the Third Circuit on one distinct matter, and which has seriously prejudiced the rights of petitioner.

Respectfully submitted,

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